

Message Text

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PAGE 01 PANAMA 02416 01 OF 02 062320Z

63

ACTION ARA-10

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FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 7309

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FOR HOWARD ARA/PAN

E.O. 11652: N/A

TAGS: OGEN

SUBJECT: MATERIAL FOR CONGRESSIONAL HEARINGS

1. FOLLOWING IS BEST CURRENT INFORMATION AVAILABLE TO EMBASSY
ON POINTS OF INQUIRY CONTAINED BECKER-HINSON TELECON OF
4/1/76.

2. LEGAL STATUS AND ACTIVITIES OF COMMUNIST PARTY:
PANAMANIAN COMMUNIST PARTY (PARTIDO DEL PUEBLO, PDP, MOSCOW-
LINE) IS OFFICIALLY ILLEGAL UNDER LAW BANNING ORGANIZED
POLITICAL PARTY ACTIVITY ISSUED AFTER OCTOBER 1968 COUP WHICH
INSTALLED TORRIJOS GOVERNMENT AND STILL IN FORCE. PRIOR TO
OCTOBER 1968 IT OPERATED LEGALLY AS DID OTHER PARTIES. IN
1968, ITS TOP LEADERSHIP WAS DRIVEN INTO EXILE, AND THE
REMAINDER OF THE PARTY WENT UNDERGROUND AND REMAINED
INACTIVE UNTIL 1970. BEGINNING IN THAT YEAR THE GOVERN-
MENT PRESSURE BEGAN EASING OFF, AND THE PARTY BEGAN TO
OPERATE IN A SEMI-CLANDESTINE MANNER. BY 1973 SOME OF ITS
EXILED LEADERS WERE PERMITTED TO RETURN. THE CONDITIONS
UNDER WHICH THEY HAVE BEEN ALLOWED BACK ESSENTIALLY ARE
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PAGE 02 PANAMA 02416 01 OF 02 062320Z

THAT THEY REFRAIN FROM SUBVERSIVE ACTIVITY. IN ADDI-

TION, THE GOVERNMENT HAS NOT BLOCKED INDIVIDUAL PARTICIPATION BY SOME MEMBERS OF THE PARTY IN IMPLEMENTING CERTAIN OF GOVERNMENT'S REFORM PROGRAMS, PARTICULARLY IN THE AGRICULTURE SECTOR AND FOR A TIME IN EDUCATION. RECENTLY THE MINISTERS OF EDUCATION AND AGRICULTURE HAVE REPLACED MANY KNOWN LEFTISTS, INCLUDING PARTY MEMBERS AND OTHERS, WHO WERE WORKING ON REFORM PROGRAMS WITH MODERATES.

3. IN ESSENCE, A MODUS VIVENDI EXISTS BETWEEN THE GOP AND THE PDP UNDER WHICH THE LATTER DOES NOT CONDUCT ACTIVE OPPOSITION TO THE GOP WHICH IN TURN HAS CEASED ACTIVE REPRESSION OF THE PDP AND HAS GIVEN IT TACIT CONSENT TO OPERATE. THE PARTY HAS A SEMI-PUBLIC OFFICE IN PANAMA CITY AND HAS COOPERATED IN MOBILIZING ORGANIZATIONS (CAMPEÑINOS, LABOR UNIONS, STUDENTS) WHICH IT CAN INFLUENCE FOR PUBLIC SHOWS OF SUPPORT TO THE GOVERNMENT AS NECESSARY. OCCASIONALLY THE PDP TAKES ISSUES WITH GOP ON CERTAIN ISSUES. THE GOP SECURITY FORCES IN TURN KEEP THE PARTY AND ITS LEADERSHIP UNDER CLOSE OBSERVATION. EMBASSY ASSESSMENT IS THAT WHILE PDP IS BY NO MEANS UNDER GOP CONTROL, THE GOVERNMENT THROUGH ITS PENETRATION OF PDP, ITS ABILITY TO RETURN PDP LEADERS TO EXILE, AND REPRESS MEMBERS CAN KEEP PARTY FROM BECOMING A SERIOUS PROBLEM FOR IT. WE ESTIMATE PDP NOW COUNTS ABOUT 600 MEMBERS SUBJECT TO PARTY DISCIPLINE, WITH AN ESTIMATED 2,000-3,000 SYMPATHIZERS. NONE OF THOSE KNOWN TO BE SUBJECT TO PARTY DISCIPLINE CURRENTLY HOLDS A MAJOR GOVERNMENT POSITION, ALTHOUGH SOME INDIVIDUALS KNOWN OR SUSPECTED TO BE LINE PDP MEMBERS ARE IN POSITIONS OF INFLUENCE IN QUASI-PUBLIC ORGANIZATIONS CLOSE TO GOVERNMENT, AND IT IS POSSIBLE THAT SOME GOP OFFICIALS KNOWN AS LEFTISTS MAY BE CLANDESTINE PDP MEMBERS.

4. IN ADDITION TO THE PDP, A NUMBER OF MINOR SPLINTER ORGANIZATIONS EXIST PRIMARILY IN THE UNIVERSITY, THEIR MEMBERSHIP RANGING FROM 15 TO 60 OR 70. SOME OF THESE ARE WHAT MIGHT BE CALLED PDP SYMPATHIZERS, BUT MOST OF THEM STRONGLY DISAGREE WITH THE PDP. SOME, SUCH AS THE SOCIALIST REVOLUTIONARY FRACTION (FSR) LIMITED OFFICIAL USE

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PAGE 03 PANAMA 02416 01 OF 02 062320Z

CLAIM TO BE MARXIST, BUT THEY TOTALLY REJECT PDP DISCIPLINE. THESE GROUPS ARE ALSO CRITICAL OF THE GOVERNMENT.

5. THE PANAMANIAN STUDENT FEDERATION (FEP), PANAMA'S LARGEST UNIVERSITY STUDENT GROUP IS GENERALLY PRO-GOP AND MODERATE (AS LEFTIST STUDENTS GO). SOME OF ITS LEADERS WERE FORMERLY AFFILIATED WITH THE PDP BUT WERE

EXPELLED IN 1974. IN THE FEP AND AMONG THE OTHER STUDENT GROUPS ARE A NUMBER OF INDIVIDUALS ONE COULD CALL INTELLECTUAL LEFTISTS BUT WHO HAVE NO PARTY TIES. THEY ARE POPULARLY CALLED "COMMUNISTS" BY PERSONS ON THE POLITICAL RIGHT, THUS COMPLICATING THE PICTURE FOR OUTSIDERS. SEVERAL INDIVIDUALS WHO WERE "LEFTISTS" IN THEIR STUDENT DAYS HOLD SENIOR POSITIONS IN THE GOVERNMENT. THEY APPEAR TO HAVE MELLOWED THEIR VIEWS WITH THE PASSAGE OF TIME AND AS THEY HAVE ASSUMED RESPONSIBILITIES IN GOVERNMENT AND SOCIETY.

6. STATUS OF OTHER POLITICAL PARTIES: AS NOTED ABOVE, ALL ORGANIZED POLITICAL PARTY ACTIVITY IS NOMINALLY ILLEGAL IN PANAMA AT PRESENT. ON THE LEFT, A NUMBER OF FACTIONS OR GROUPS SOMETIMES ASSUME THE NAME OF "PARTY" BUT DO NOT OPERATE AS THIS TERM IS NORMALLY UNDERSTOOD. ELSEWHERE ON THE POLITICAL SPECTRUM, CHRISTIAN DEMOCRATS HAVE MAINTAINED A SHADOWY EXISTENCE; WHILE PARTY ACTIVITY IS NOMINALLY ILLEGAL, ONE MEMBER OF THE NATIONAL ASSEMBLY OF CORREGIMIENTO REPRESENTATIVES PUBLICLY IDENTIFIED HIMSELF AS A CHRISTIAN DEMOCRAT AND SAID IN AN ASSEMBLY SPEECH THAT HE SPOKE ON BEHALF OF CHRISTIAN DEMOCRACY IN PANAMA (H.R. LUIS VECES, PANAMA PROVINCE, AT SPECIAL SESSION IN DAVID IN JULY 1975). ALSO, CHRISTIAN DEMOCRATS HAVE MAINTAINED AFFILIATION WITH INTERNATIONAL CHRISTIAN DEMOCRACY AND SEND REPRESENTATIVES TO INTERNATIONAL PARTY CONCLAVES; ON ONE OCCASION (IN LATE 1975), PANAMA CITY PRESS PRINTED A STATEMENT ISSUED BY THE PARTY SUPPORTING PANAMA'S POSITION IN TREATY NEGOTIATIONS. PARTY DOES NOT, HOWEVER, HAVE KNOWN OFFICES OR A KNOWN PUBLIC OR MASS ORGANIZATION.

7. OTHER PRE-1968 PARTIES ARE GENERALLY INACTIVE, FOR LIMITED OFFICIAL USE

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PAGE 04 PANAMA 02416 01 OF 02 062320Z

A VARIETY OF REASONS. UNLIKE COMMUNISTS AND, TO LESSER EXTENT, CHRISTIAN DEMOCRATS, THESE PARTIES WERE EITHER VEHICLES FOR SHIFTING COALITIONS OF INTEREST GROUPS (SOMEWHAT ALONG LINES OF US PARTY MODEL) WITHOUT DISTINCT AND RIGOROUS IDEOLOGICAL FRAMEWORK, OR WERE EXCLUSIVELY VEHICLES FOR A SINGLE INDIVIDUAL (I.E., "PANAMENISTA" PARTY WHICH WAS MASS VEHICLE FOR OUSTED PRESIDENT ARNULFO ARIAS). MANY INDIVIDUAL ARNULFISTAS REMAIN IN PANAMA, AND SOME HAVE JOINED THE PRESENT GOVERNMENT; BUT THIS GROUP IS INACTIVE AS PARTY SINCE ITS LEADER AND REASON FOR EXISTENCE IS IN EXILE AND UNLIKELY TO RETURN--EVEN BRIEF FLURRY DURING JANUARY 1976 SURROUNDINGS ARIAS' STATED INTENTION TO RETURN FAILED TO STIR THIS GROUP INTO ORGANIZED LIFE AS A POLITICAL PARTY. UNINDIVIDUAL LEADERS ASSOCIATED WITH

OTHER PRE11968 PARTIES REMAIN IN CONTACT WITH EACH OTHER, AND SOMETIMES SPEAK OF THEMSELVES AS CONTINUING TO BE A PARTY, BUT IN THE ABSENCE OF LEGAL SANCTION FOR THEIR OPERATIONS, ANY VIABLE IDEOLOGY AND AND DEFINABLE POINT AT WHICH ORGANIZED PARTY AVTIVITY COULD MANIFEST ITSELF, THEY ARE NOT CREDIBLY NAMABLE AS PARTIES. THEY MAINTAIN NO OFFICES AND HAVE NO RECOGNIZABLE ROLE AS ORGANIZATIONS IN CURRENT PANAMANIAN POLITICS.

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PAGE 01 PANAMA 02416 02 OF 02 070033Z

63

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LIMITED OFFICIAL USE SECTION 2 OF 2 PANAMA 2416/2

8. CURRENT STATUS OF JANUARY GOP-BUSINESS CONFRONTATION: THOSE EXILED TO GUAYAQUIL, ECUADOR, IN JANUARY HAVE MOVED AROUND SOMEWHAT RECENTLY; ACCORDING TO OUR LATEST INFORMATION, A NUMBER ARE IN THE US, TWO ARE IN VENEZUELA, EXILED ULTRA-LEFTIST MIGUEL BERNAL IS IN MEXICO AND OTHERS ARE ELSEWHERE. PUBLIC CONSCIOUSNESS THAT THEY ARE STILL GONE REMAINS HIGH; LEFTIST STUDENT SIGNS AROUND PANAMA CITY CONTINUE TO CALL FOR RETURN OF BERNAL AND EXILED OWNER OF "RADIO IMPACTO", ALBERTO QUIROS GUARDIA, AND CHAMBER OF COMMERCE HAS CALLED FOR THE RETURN OF BUSINESS LEADERS (INCLUDING EXILED PRESIDENT-ELECT OF THE CHAMBER) IN WEEKLY NEWSPAPER COLUMN, BUT BLIZZARD OF PROTESTS LEAFLETS WHICH CHARACTERIZED JANUARY CONFRONTATION HAS SUBSIDED.

RUMORS CONTINUE TO ABOUND OF IMMINENT RETURN OF SOME OR ALL OF THESE EXILES, BUT EMBASSY HAS NO FIRM INDICATION OF ANY CHANGE IN THEIR STATUS AT THIS TIME.

9. SERIES OF GOP-BUSINESS CONVERSATIONS REPORTED PANAMA 6888 WAS APPARENTLY WELL RECEIVED, BUT THERE HAVE BEEN NO SPECTACULAR DEVELOPMENTS IN THIS DIALOG SINCE. GOP LEADERS HAVE CONTINUED TO GIVE CONSIDERABLE HIGH-LEVEL ATTENTION TO CHIRIQUI PROVINCE, HOLDING FREQUENT TALKS LIMITED OFFICIAL USE

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PAGE 02 PANAMA 02416 02 OF 02 070033Z

WITH LEADERS THERE. DAVID FAIR WAS MARKED BY SUBSTANTIAL PARTICIPATION FROM CATTLEMEN'S ASSOCIATION, INCLUDING CATTLE BELONGING TO ONE OF ITS EXILED LEADERS; CATTLEMEN TOLD EMBASSY OFFICER THAT THEY REGARDED THEIR PARTICIPATION AS SIGNAL TO GOP OF WILLINGNESS TO COOPERATE, AND ARE WAITING TO SEE WHAT GOP WILL DO IN RESPONSE. MAJOR SUBSTANTIVE COMPLAINT OF RICE GROWERS, THAT THEY HAD NOT BEEN PAID BY GOVERNMENT MARKETING INSTITUTE FOR THEIR 1975 CROP, HAVE BEEN ANSWERED BY PAYMENTS. EDUCATION REFORM, A TARGET OF MUCH CRITICISM, APPEARS TO HAVE BEEN MODERATED THROUGH SERIES OF PERSONNEL CHANGES IN MINISTRY OF EDUCATION STAFF WHICH HAVE DIMINISHED INFLUENCE OF KNOWN LEFTISTS IN THIS PROGRAM. IN GENERAL, THERE HAS BEEN NO SPECTACULAR CHANGE IN SITUATION--GOP CONTINUES TO SAY IT WISHES TO REPAIR ITS LINKS WITH BUSINESS, WHILE PRIVATE SECTOR CONTINUES TO BE WARY AND TO AWAIT MORE CONCRETE SIGNALS OF GOP INTENTIONS. THE APPOINTMENT LAST WEEK OF MODERATES IN MINISTRIES OF HOUSING AND GOVERNMENT AND JUSTICE SHOULD HELP BOOST BUSINESS CONFIDENCE.

10. CURRENT STATUS OF FOREIGN COMMUNIST, PARTICULARLY CUBAN, ACTIVITIES: CUBAN EMBASSY IN PANAMA NOW HAS A STAFF OF 30-40 CUBAN NATIONALS, MAKING IT LARGEST AFTER THAT OF UNITED STATES. SOME OF THESE ARE KNOWN TO BE INTELLIGENCE PERSONNEL. INFORMATION ON CUBAN NATIONALS (OTHER THAN EXPATRIATES FROM CASTRO REGIME) IN PANAMA IS SKETCHY IN THE EXTREME, BUT OUR BEST ESTIMATE IS THAT THEY MAY TOTAL AROUND 100, CONCENTRATED IN PANAMA CITY AND COLON (THESE WOULD INCLUDE, INTER ALIA, JOURNALISTS, TECHNICIANS, AIRLINE PERSONNEL, PURCHASERS AT COLON FREE ZONE, ETC.). ACCORDING TO RUMORS CIRCULATING IN PANAMA AND CANAL ZONE THERE ARE NOW 2,000 CUBANS IN PANAMA--ONE VERSION HAS AT LEAST SOME OF THESE IN ORGANIZED MILITARY UNITS; ANOTHER VERSION IS THAT THEY LANDED AT LAS MINAS BEACH. THE CONSIDERED VIEW OF THE COUNTRY TEAM IS THAT THERE IS NO PRACTICAL POSSIBILITY THAT SUCH A NUMBER OF CUBANS COULD BE IN THE COUNTRY. ALSO, CUBAN-PANAMANIAN RELATIONS ARE

SOMEWHAT STRAINED AT PRESENT AS PANAMA CONTINUES TO
SEEK MORE INFORMATION ON RECENT CASE OF AN INDIVIDUAL
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PAGE 03 PANAMA 02416 02 OF 02 070033Z

WHO, AFTER ROBBING A PANAMA CITY BANK IN 1973 SOUGH
AND RECEIVED HAVEN IN CUBA, BUT WHO WAS RECENTLY SHOT
AND KILLED BY NATIONAL GUARD ATTEMPTING TO CROSS
BORDER INTO COSTA RICA AFTER ROBBING A BANK IN PUERTO
ARMUELLES.

11. THERE ARE A NUMBER OF YUGOSLAV TECHNICIANS IN
PANAMA IN CONNECTION WITH YUGOSLAV COMPANY PARTICIPAT-
ING IN CONSTRUCTION OF ALMOST COMPLETED BAYANO HYDRO-
ELECTRIC PROJECT. THEY ARE, HOWEVER, ISOLATED IN THE
BAYANO AREA AND HAVE NOT BEEN KNOWN TO ENGAGE IN
POLITICAL ACTIVITIES OR CONTRACTS. FOR INFORMATION AS
TO DIPLOMATIC AND CULTURAL ACTIVITIES IN PANAMA BY
OTHER COMMUNIST COUNTRIES, SEE PANAMA A-21. EMBASSY
HAS NO INDICATION THAT ACTIVITIES BY ANY OF THESE
OTHER COMMUNIST GOVERNMENTS GO SIGNIFICANTLY BEYOND THAT
CHARACTERISTIC OF ANY COUNTRY IN WHICH THEY ARE REP-
RESENTED.

12. INCIDENTS INVOLVING JURISDICTIONAL CONFLICT WITH
CANAL ZONE: DEPT IS AWARE OF SITUATIONS DURING DECEMBER-
JANUARY RELATING TO SHOOTING AT VENADO BEACH IN CANAL
ZONE AND TO NATIONAL GUARD ACTIVITIES ALONG BORDER
WITH PANAMA CITY. ON MARCH 6, INCIDENT OCCURRED
ALONG PANAMA CITY-CANAL ZONE BORDER ON 4TH OF JULY
AVENUE; PANAMANIAN STUDENT ALLEGEDLY HAD BEEN PAINTING
AND DEFACING A CAR WITH CANAL ZONE LICENSE PLATES, WAS
DETAINED BY CANAL ZONE POLICE, A CROWD GATHERED AND A
PASSING NATIONAL GUARD VEHICLE STOPPED TO SEE WHAT WAS
WRONG. NATIONAL GUARD DEMANDED CUSTODY OF SUSPECT AND,
TO AVOID PROVOKING AN INCIDENT, CANAL ZONE POLICE
COMPLIED. EMBASSY UNDERSTANDS THIS INCIDENT WAS
REPORTED TO WASHINGTON ON THE SAME DAY AS IT OCCURED.
HOWEVER, AS DEPT AWARE, BORDER BETWEEN CANAL ZONE AND
PANAMA CITY ALONG THIS STREET IS DRAWN IN SUCH WAY
THAT ROADWAY IS IN CANAL ZONE WHILE SIDEWALK IS IN
PANAMA, WITH BORDER AT CURB LINE--THIS ANOMALOUS
SITUATION HAS GIVEN RISE TO MANY JURISDICTIONAL ODDITIES
IN PAST. PANCANAL HAS NOW INFORMED US THAT FURTHER
INVESTIGATION OF MARCH 6 INCIDENT HAS DISCLOSED THAT
SUSPECT ACCUSED OF VANDALIZING CAR WAS, IN FACT,
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PAGE 04 PANAMA 02416 02 OF 02 070033Z

STANDING ON SIDEWALK, I.E, WITHIN PANAMANIAN JURIS-
DICTION, AT TIME OF OCCURENCE. THUS, NATIONAL GUARD
DEMAND FOR CUSTODY APPEARS TO HAVE BEEN LEGALLY PROPER
AND JUSTIFIED, AS CANAL ZONE POLICE HAS NO LEGAL JURIS-
DICTION AT POINT WHERE SUSPECT WAS STANDING, AND THIS
INCIDENT PROVES NOT TO HAVE BEEN A JURISDICTIONAL
VIOLATION BY PANAMA AT ALL. PANCANAL INFORMS US THAT
NO FURTHER JURISDICTIONAL INCIDENTS OR ALLEGATIONS OF
NATIONAL GUARD SEEKING TO EXERCISE JURISDICTION IN
CANAL ZONE, HAVE BEEN REPORTED.
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